GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1470
ANSWERED ON:21.08.2012
PROCESSED FOOD PRODUCTS
Angadi Shri Suresh Chanabasappa;Das Shri Bhakta Charan

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Government proposes to give the status of priority sector lending for the projects involved in processing of perishable food items;

(b) the details guidelines adopted by the policy of the Government towards domestic consumption vs exports of processed food items in the country;

(c) the steps taken by the Government to tap the export potential of the agricultural and processed food products of the country;

(d) the present food processing capacity available in the country; and

(e) the funds allocated for the purpose during each of the last three years and the current year along with the new initiatives taken in this regard?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (DR. CHARAN DAS MAHANT)

(a): As per the Press Release of RBI dated 20th July 2012, loans to food and agro processing units form a part of Priority Sector Lending (PSL). In the detailed circular issued on the same date by RBI, loans for food and agro processing are eligible to be classified under PSL in the category of "Micro and small enterprises".

(b): With the huge production base of agricultural and allied commodities, India can become the leading processed food supplier to the world and also meet the growing demands of domestic market. Adequate processing facilities of agro & allied produces would increase shelf life, reduce losses, increase returns of the farmers, ensure adequate supply of processed food products to the domestic and export market. Keeping this in view, Government has been implementing a number of schemes supporting the food processing sector.

(c): Promotional measures for increasing exports of agricultural and processed food products include implementation of Focus Product Scheme (FPS), Focus Market Scheme (FMS), VisheshKrishi and Gram UdyogYojana (VKGUY) Scheme, Market Linked Focused Product (MLFPS) Scheme, Agri. Infrastructure Incentive Scrip (AIIS) Scheme etc. In the Annual Supplement to Foreign Trade Policy announced on 5th June 2012, the two per cent Interest Subvention Scheme has also been extended to Processed Agricultural Products.

(d): As per the Annual Survey of Industries (ASI) data, 2009-10, there were 27,271 registered units in food processing sector in the country with a total invested capital of Rs 1,93,850 crore.

(e): The Budget allocation for the food processing sector during 2009-10 to 2012-13 are as under:

Year	Budget Estimate (Rs crore)
2009-10	340.00
2010-11	400.00
2011-12	600.00
2012-13	660.00

Ministry of Food Processing Industries has launched a new Centrally Sponsored Scheme-National Mission on Food Processing (NMFP) - on 1.4.2012 for decentralization in the implementation of schemes for infrastructure development and other related schemes to ensure substantial participation of State Governments/ UTs.